

PX 268

Message

From: Monica Long [REDACTED]@ripple.com]
on behalf of Monica Long [REDACTED]@ripple.com> [REDACTED]@ripple.com]
Sent: 6/27/2014 1:56:06 PM
To: Chris Larsen [Chris Larsen [REDACTED]@ripple.com>]; [REDACTED]@ripple.com>]
CC: [REDACTED]
Subject: Plan for next week

Hi Chris, [REDACTED]

[REDACTED] and I sketched out a communication plan for next week. We have a few questions:

- Has Arthur set any parameters for his lockup? Sharing any further detail would be helpful; even if still high-level.
- What can we share about the foundation?
- When is an appropriate time to loop [REDACTED] into our plans?

Look forward to your comments. See also a slightly revised (and improved) version of the statement. We can regroup as a leadership team on Monday to start executing.

Thanks,
 Monica

Objective: Maintain confidence in Ripple and Ripple Labs so we don't lose momentum in the ecosystem.

Strategic approach:

- Minimize press cycle (announce the day before the holiday weekend)
- Clarify origins and future of the founders' stake
- Separate lawsuit from Ripple Labs
- Distance Ripple Labs and our vision from Jed

Execution:

1. Call partners and investors to give them a heads up the day prior to filing (Tues, July 1).
 2. Inform the team in an all-hands meeting (Wed, July 2) and managers follow up with individuals to check in.
 3. Post a statement to the Ripple Forum after filing (Thurs, July 3).
 4. Don't comment further.
 5. Tee up influencers to show public support, correct misinformation only if needed
 - o Community: [REDACTED]
 - o Press: [REDACTED]
 6. Sandwich filing with steady drumbeat of positive, low-level news:
 - o New team members
 - o Opening a New York office
 - o Trip to Luxembourg - speaking at ICT, visiting with the gov(?), business development in Europe
 - o Other speaking: Fortune Brainstorm Tech, North American Bitcoin Conference, Coin Congress, McKinsey O&T
- Insights
- o Product - new features or stability improvements??

Key talking points (for team and partner meetings):

- Proactively seeking a resolution with the founders' XRP that's constructive for the protocol and the company
- o Chris has set up an independent foundation, the Ripple Foundation for Financial Inclusion, and hired an executive director [REDACTED] any other details?]

- Arthur has agreed to a lock up [details?]
- We're at an impasse with Jed, despite working through many options since the beginning of the year
- Founders had a personal buyback agreement tied to each founder fulfilling a certain amount of time in an operational role at the company.
- Jed didn't fulfill his commitment so the Ripple Foundation for Financial Inclusion, which inherited the buyback right, is exercising it through legal action.
- Reasons for exercising the buyback right:
 1. To shield XRP holders, including many early believers in Ripple, from a possible short-term price shock caused by a mass XRP sale.
 2. To ensure responsible distribution of Jed's XRP stake in a way that helps grow the Ripple ecosystem.
- We're taking measures to minimize the press cycle, including: announcing on a holiday weekend, not publicly commenting beyond our statement, teeing up positive news.
- We're looking forward to a final, positive outcome.

Statement for the forum:

Subject: Update on Founders' XRP

I know many in this community are eager to learn more about Jed's XRP holdings. I would like to take this opportunity to update you regarding our negotiations with him. First, it is important to understand how and why XRP was distributed amongst the original founders.

When Chris, Jed and Arthur started the company in 2012, they - with guidance from their professional advisors - determined the best way to minimize risk for Ripple Labs was to personally create 100 billion XRP and then gift it to Ripple Labs. In exchange for assuming this risk, they retained 20 billion XRP, which they divided amongst themselves. Each of the founders also agreed to a buyback clause as part of this distribution in case they left the company before a specific date. This was done with the full knowledge of investors and partners.

As the industry and Ripple evolved, it became apparent that there existed an opportunity to reclaim this allotment to maintain stability within the protocol and for stakeholders like you. Over the course of this past year, Ripple Labs has worked diligently to resolve this issue amongst the three founders in a constructive way.

As you know, Chris has agreed to gift all of his XRP to an independent foundation committed to the financially underserved. I am happy to report that those details have been finalized and you can read more about [NAME] here [link]. Arthur has also agreed to a lock-up period for his XRP.

Unfortunately, we have reached an impasse with Jed regarding his holdings. As a result, a claim has been filed pursuant to Jed's original buyback agreement. As the new owner of Chris' XRP, [FOUNDATION NAME] will exercise this buyback right. The foundation is taking this action for two reasons:

1. To shield XRP holders, including many early believers in Ripple, from a possible short-term price shock caused by a mass XRP sale.
2. To ensure responsible distribution of Jed's XRP stake in a way that helps grow the Ripple ecosystem.

With this claim, Jed is required to [insert details]. We will update the community again once resolution is reached.

As you know, Chris and Jed hold very different viewpoints on how Ripple will re-architect finance for the betterment of the world. But it's also important to acknowledge that they both share the ultimate desire to see that change realized. Chris, our team at Ripple Labs, our partners, investors and I'm sure you, our community, look forward to a final, positive outcome so that we can continue on with the important work we care about and believe in so deeply.

—
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